



Budget Terminology

Amortization

The process of allocating the cost of a fixed asset over its useful life in accordance with accounting principles and policy.

Annual Budget Process

The yearly development of the City's operating and capital budgets for review and deliberation by Council in November, and adoption by Council in December.

Approved Budget

The final budget passed by Council, which will govern the operations and reporting during the fiscal year.

Base Budget

The previous year's approved operating budget adjusted for one-time revenues and expenses.

Budget

A financial plan for a specified period of time that matches all planned revenues and expenditures with funds for various City services.

Capital Budget Request

Proposed capital expenditure based on a recommendation by Administration and presented to Council for deliberation during the budget process.

Capital Budget

Consists of an annual and a long-term financial plan for the proposed acquisition and financing of tangible capital assets, more commonly referred to as the 10 -year Capital Plan.

Capital Expenditure/Project

Any expenditure, other than a major capital project, in excess of \$10,000 incurred to acquire, construct or improve a capital asset used in the provision of municipal services.

Cost of Living Adjustment (COLA)

An adjustment made to salaries and wages to counteract the effects of inflation. For example, an employee receiving \$10,000 salary and a 1% COLA, the salary would be \$10,100.

Debt Servicing

The annually required debt repayments for principal plus the interest amount to be paid on outstanding debt.

Debt Limit

The legislated maximum that the City can borrow in accordance with Section 252 of the Municipal Government Act.

Debenture

A type of debt instrument that is similar to a loan but not secured by assets or collateral.



Deficit

The excess expenditures or expenses over revenues during a single accounting period.

Department

A team of individuals providing a unique service led by a director. For example, the City's Information Technology department.

Division

A group of Departments providing similar or complementary services led by a general manager. For example, the City's Community and Protective Services division.

Senior Leadership

The top level of Administration, which includes the City Manager, General Manager of Corporate Services, General Manager of Infrastructure and Planning and General Manager of Community and Protective Services.

Full-Time Equivalent (FTE)

Full-Time Equivalent (FTE) is a common measure of staff levels and is defined as the ratio of the total number of paid hours during a period for staff divided by the number of working hours in that period that would be worked by a regular full-time employee. For example, if an employee worked 15 hours out of 37.5 hours, the FTE would be equal to 0.4.

Grant Revenue

A monetary contribution by one governmental unit or organization to another. Typically, these contributions are made to the City by the Provincial and Federal Governments.

Growth

Where additional resources are required to deliver existing service levels on a broader scale. For example, snow removal and park maintenance for additional new neighbourhoods.

Inflation

Increase in the cost to deliver existing service levels. For example, an increase in the cost of natural gas or an increase to the snow removal contract.

Infrastructure

Facilities and assets required by the City to deliver services. These facilities and assets are numerous and are not limited to roads, sewers, buildings, and vehicles.

New Initiatives

Where improvements are being made to the level of a service, or new programs or services are being undertaken. For example, introducing a new recreation program.

Offsite Levy

Funds levied from developer agreements on new land developments and subdivisions, which is restricted for projects required due to growth.



Operating Budget

A financial plan for the purchase and financing of the City's day-to-day operations that includes expenses such as salaries, wages and benefits, materials, supplies and utilities. After all own-source (user fees, government grants, fines, investment income, etc.) revenues have been accounted for, property taxes are levied to balance this budget.

Operating Budget Request

The proposed change to the operating base budget based on Administration's recommendation and subject to Council approval.

Operating Impact from Capital

Operating revenues and expenditures that are imposed by a capital project. For example, the construction of a new building will have operational expenses and possible revenue sources.

Operating Plan Request

Proposed adjustment to the base budget recommended by Administration and presented to Council for deliberation.

Priority Based Budget (PBB)

PBB is both a tool and framework for evaluating options and alternatives with respect to resource allocation decisions.

Program

A program is the delivery a discrete service to identifiable users.

Program Costing

Allocates the line item budget, both personnel and non-personnel costs into programs.

Program Inventory

A list of services that a municipality provides to its residents and community.

Property Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people.

Reserve

Specific funds set aside on an ongoing basis for future funding requirements, stabilization of fluctuations in operating and capital activities, contingency funding, and to reduce the need for debt financing.

Revenue

Funds received from various sources treated as income and used to finance expenditures. Revenue includes, but is not limited to, taxes, user fees, government transfers, interest and penalties.

Supplementary Tax Revenue

Property taxes on new properties that are completed and occupied during the year.



Surplus

The excess of revenues over expenditures as compared to the annual operating budget approved by Council.

Capital Assets

Land, buildings, water and sewer systems, roads, infrastructure, machinery, vehicles, and equipment that has been purchased, constructed or contributed to the City and provides long-term benefits.

Tax Levy

The total amount to be raised by general property taxes for operating and debt services purposes.

Tax Assessment

An estimate of a property's value in order to determine an amount subject to a property tax levy.

Utility Operations

A component of the operating budget that includes water distribution, wastewater collection (sewer) and solid waste services with these specific services provided on a user pay basis, ensuring that users pay the full cost of utility services.